

TO: The State House Press

FROM: Mindy Smith-Sopko
Administrative Practice Officer

DATE: June 6, 2003

SUBJECT: Proposed Amendments to the New Jersey Administrative Code:
Consolidated Police and Firemen's Pension Fund and PERS
Disability retirements

P.L. 2001, c. 5 (N.J.S.A. 52:14B-4) requires an agency to give notice of its intended action to the news media maintaining a press office to cover the State House Complex prior to the adoption, amendment or repeal of any rule.

Therefore, the Division of Pensions and Benefits wishes to advise your offices of the following proposed readoption with amendments and repeals for the chapter, Consolidated Police and Firemen's Pension Fund, N.J.A.C. 17:6, which appears in the June 2, 2003 edition of the New Jersey Register. The Division also wishes to advise you of the proposed amendment to the Public Employees' Retirement System rule, Disability retirements; filing after more than two years' discontinuance of service, N.J.A.C. 17:2-6.15. The rules may also be viewed on the Division's web page (www.state.nj.us/treasury/pensions).

The Division of Pensions and Benefits has recently reviewed the administrative rules within N.J.A.C. 17:6 concerning the Consolidated Police and Firemen's Pension Fund. The Consolidated Police and Firemen's Pension Fund is a closed Fund which has not had any active contributing members since March 1, 1994. The declining membership (as of July 2002) included 233 retirees and 965 beneficiaries. The average age of the retirees is almost 90. Because all members have retired, and there will be no new members to use the retirement rules, the Commission of the Consolidated Police and Firemen's Pension Fund proposes to repeal N.J.A.C. 17:6-3.7, 3.8, 3.9 and 3.10. Proposed amendments would also require only an annual meeting, and would clarify that the Fund uses a fiscal year.

N.J.A.C. 17:2-6.15 was first adopted in 1999 to permit members to file for disability retirements after they have discontinued service for more than two consecutive years. Active membership in the PERS ceases after discontinuance of service for two consecutive years. Under the former rules, members could not file for disability retirements if their active membership had ceased. The Board originally imposed a five-year test period for this rule. After more than four years of applying the rule, the Board has determined that it wishes to continue providing the exception by repealing N.J.A.C. 17:2-6.15(d). The Board also proposes to repeal N.J.A.C. 17:2-6.15(c) because retirements are effective after filing for retirement and are not retroactive.

Any comments on the proposed readoption and proposed amendment should be submitted within 60 days of the receipt of this memorandum to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295. Press inquiries should be directed to the Department of Treasury, Public Information Office.